

§ 25-9-325. Priority of security interests in transferred collateral.

(a) Subordination of security interest in transferred collateral. – Except as otherwise provided in subsection (b) of this section, a security interest created by a debtor is subordinate to a security interest in the same collateral created by another person if:

- (1) The debtor acquired the collateral subject to the security interest created by the other person;
- (2) The security interest created by the other person was perfected when the debtor acquired the collateral; and
- (3) There is no period thereafter when the security interest is unperfected.

(b) Limitation of subsection (a) subordination. – Subsection (a) of this section subordinates a security interest only if the security interest:

- (1) Otherwise would have priority solely under G.S. 25-9-322(a) or G.S. 25-9-324; or
- (2) Arose solely under G.S. 25-2-711(3) or G.S. 25-2A-508(5). (2000-169, s. 1.)